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CENTRAL INTELLIGENCE AGENCY

REPORT

CENTRAL CONFIDENTIAL INFORMATION REPORT

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1. General Kvashnin, head of the Transport Administration of SIA, stated at the conference of the works managers of the Reichsbahn, held at Magdeburg and Ilseburg on 28 and 29 June 1948, that for the time being the Reichsbahn could not count on allocations of material in any great quantity. As deliveries from the West had ceased, new commercial agreements would have to be concluded with satellite states; deliveries from such imports could not be expected before the agreements had been reached. He recommended all the directors present to exercise the greatest economy throughout the summer. He made no mention of any expectations for the winter.
2. Stocks of material in the Reichsbahn repair shops are so low that difficulties are expected to arise before the winter, particularly in track repair work. The same applies also to repair of freight cars, for which some material is already being obtained from obsolete or bombed roofs of railway sheds.
3. Kvashnin said that sufficient material was waiting in the West ready for immediate delivery; but as no agreement was reached with regard to financial arrangements, and, furthermore, delivery to the Soviet zone was blocked, these goods from the West could not be expected for the time being.
4. He continued as follows: Various firms working for the Reichsbahn Administration had so far been short of workmen. Now, however, because of restrictions in industry in the western sectors of Berlin caused by electricity cuts, many workmen had offered their services to the railways in the Soviet sector. The difficulty was that because of the shortage of materials, it was not possible to engage these workmen. The situation in Berlin was worse than in the Soviet zone in this respect, because planning for the supply of material in Berlin had been undertaken by the Berlin Magistrat since the sector was separated from the Soviet zone. The Soviet Kommandatura in Berlin had intervened and tried to assist, but no allocations of material of any importance had as yet been possible. Materials at the disposal of firms in the Soviet zone had been already allocated for reparations orders placed with these firms.
5. Whereas it had been hoped that the restrictions in the western sectors would swell the labor market in the Soviet sector, a number of firms in the Soviet sector had also been compelled to dismiss workers as a result of shortage of materials.

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